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Briefing Notes

COUNCIL OF ONTARIO UNIVERSITIES
CONSEIL DES UNIVERSITÉS DE L'ONTARIO

Degree-Granting Institutions in Ontario

A committee, established by Council in March 1989, was charged with a review of government policy on the provision of university degree programmes in Ontario, a matter currently under consideration by the government. The committee's final report deals with three matters: 1) private degree-granting institutions, 2) bible colleges and seminaries, and 3) the Degree-Granting Act, the legislation under which the government regulates the operation in Ontario of degree-granting institutions situated outside the province. This number of Briefing Notes gives an edited version of the first section of the report, which treats a topic that has received considerable public attention and also raises a number of fundamental issues in the area of post-secondary education. The full report of the Committee is available from the Communications Division of Council.

General Considerations

The Committee was asked by COU to review current government policy on the establishment of free-standing private degree-granting institutions in Ontario. Free-standing private degree-granting institutions are those which grant their own degrees and are self-financing, i.e., do not receive government grants for either operating or capital purposes.

An examination of the relevant issues should involve both theoretical and practical considerations.

In our democratic society government has the responsibility of determining how the interests of its citizens and the common good are best served in the delivery of educational services. This implies a responsibility to ensure that the necessary resources are made available to maintain institutions to offer these services to those desirous of having them and capable of benefiting from them. It also implies a responsibility to respect the freedom of choice of citizens in choosing which institutions to attend and to support. It further implies a responsibility to ensure the academic and fiscal integrity of these institutions.

Decisions to create new degree-granting institutions should take into account the impact the creation of new degree-granting institutions will have on the existing university system in Ontario which has been created by government.

A large number of private institutions have been provided with substantial sums in government grants to assist with the implementation of government policies. However, Ontario universities remain juridically a collection of private institutions. They are not crown agencies; they are private institutions established by legislation, each with its own governing body. These universities are free to establish their own admission and degree requirements; to determine curricula and research activities; to appoint staff and to determine their terms and conditions of appointment. While autonomous, they are regulated by government, primarily through the power of the purse. Government determines the level and kinds of grants for which they are eligible and in the main controls the fees they charge.

The universities in Ontario have been created and developed in response to an accepted public policy that government should provide the resources necessary to enable all qualified Ontarians who wish it a place in a university in this province. This policy on accessibility was developed in the early 1960s to meet the growing pressures for expanded university opportunities in the province.

With some limited exceptions, university level education in this province is provided by the sixteen publicly funded degree-granting institutions--fifteen universities and a polytechnic. Seven of these were created in the period between 1955 and 1964; Ryerson was given degree-granting status in 1971. (A unique institution classified as a polytechnical institute, Ryerson continues to evolve. It is included hereafter in the designation "universities".) Since then the configuration of the 'system' has remained largely unchanged, despite a substantial further expansion of university enrolment. In the mid-1960s the Robarts policy came into effect. Under that policy the government stands generally opposed to the establishment of new free-standing universities. This policy says, "no more universities", except through affiliation with existing ones. Since that time a number of small religious denominational institutions, mostly bible colleges and seminaries, have been granted limited charters. Today there are twelve such institutions. The Robarts policy remains in place but is now under review.

In 1987 the Minister of Colleges and Universities struck a Task Force to review policy on assessing applications for incorporation from private bible colleges and seminaries. The Report (Burke Report) was issued in December 1988 and has been referred to the Ontario Council on University Affairs (OCUA). The Ministry has also requested advice from OCUA on further revisions to current policy that would permit the establishment of private non-denominational degree-granting institutions. Several interested groups are developing plans. They include the Canadian Memorial Chiropractic College, the DeVry Institute of Technology, a travel agency, a school of management and several

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religiously based institutions. Some would operate on a for-profit basis. All propose to offer a narrow range of courses or programmes. None proposes to establish an institution that would fit the description of a university as it applies to the provincially assisted degree-granting institutions of this province. Yet each proposes to become a free-standing institution offering academic programmes leading to a university degree. As well, two colleges affiliated with Laurentian University, Nipissing University College in North Bay and Algoma College in Sault Ste. Marie, have announced an intention to seek separate status. Nipissing has presented a formal request to the Minister, now also referred to OCUA. There is talk of giving the right to grant degrees to some Ontario Colleges of Applied Arts and Technology. A group of Franco-Ontarians is pressing for the creation of a French language university in this province. Treating this variety of groups within a single perspective is very difficult.

Universities and Other Degree-Granting Institutions

It is necessary first to distinguish between a university and a degree-granting institution. This is crucial in the current context. A university is certainly an institution that enjoys the right to grant degrees. However, not all institutions with the right to grant degrees may properly be called universities. Other jurisdictions typically distinguish between a university and a college, with both types of institution having the right to grant degrees. In this configuration, a college typically is an undergraduate institution offering programmes in arts and science leading to the baccalaureate degree. The paradigm is the U.S. liberal arts college. Concentrating its efforts on undergraduate education in arts and science, the college does not offer professional programmes and is not involved in graduate education. Its commitment to research is minimal. The term *university college* is sometimes employed to designate an institution of this kind. This term is current in Ontario where it is used to designate institutions that offer undergraduate programmes in affiliation with a university which grants the degree. A university, on the other hand, is a comprehensive multi-faculty institution offering a range of academic programmes both at the graduate and undergraduate levels, including professional programmes, and having a deep commitment to research.

The status of the provincially assisted universities in Ontario is reflected in their acts of incorporation which give them the right to grant *any and all degrees*.

The way these institutions are organized, including terms and conditions of faculty appointment, faculty/student ratios, academic support systems and the like, and the ways in which they are funded, primarily through 'block' operating grants intended to cover the costs of both research and instruction, reflect this concept of the university. Because these universities assume such a wide range of responsibilities they require a large capital investment and incur heavy operating costs. Maintaining high academic standards requires this.

Academic institutions which have a narrower focus, whether or not they grant a degree, are not universities. They do not have the same mission; nor do they serve society in the same way. When they are created and operate side by side with universities, great care should be exercised to ensure that their operation does not adversely affect the universities which have a more comprehensive academic mission.

The system of Ontario universities that exists today reflects the commitment of the people of this province and its government to higher education. As such, it is a reflection of public policy. The involvement of the provincially assisted universities in research, teaching and public service represents their commitment to the fulfilment of this policy. Ontario, unlike many other jurisdictions, does not have a 'mixed' public/private system of higher education. It has, wityh minor exceptions, a system of publicly funded institutions which have evolved to meet the needs of society. This system has served the province and the nation well; decisions to modify it should not be made lightly.

Whether or not the existing provincially assisted institutions are effectively meeting these needs is always a fair question to ask. Whether all of the needs, which are ever changing, are being fully met in a fair, efficient and effective way is also a fair question to ask. Put another way, it is quite proper to ask whether there are any gaps in the present system--areas of higher educational need that are not currently being adequately or fully met.

A comprehensive policy review might well identify such needs/gaps. Then the relevant question to be raised is: How best might these needs be met, these gaps filled? By establishing new institutions, or new types of institutions? Or by expanding the activities of existing institutions? And if so, by what means?

These basic policy questions have not been clearly raised. Indeed, the debate which should result from their being raised is in danger of being pre-empted. The current review has been undertaken in response to requests for degree-granting status from groups interested in meeting a special need, in some cases filling a market niche. They do not approach the issues from a broad policy perspective. They should be asked to do so. Indeed, the burden of proof that the establishment of new private degree-granting institutions will serve the best interests of Ontario might well be placed on those who argue for change. To date it has not. At the same time, as is most evident in the case of approvals to off-shore institutions to offer degree programmes in Ontario under the Degree-Granting Act, the government seems to be turning more and more to private institutions to meet demands for increased access to university (see the complete report for a fuller discussion).

This is not an appropriate way to modify public policy, especially in the area of higher education where the results of changes in policy are sometimes difficult to determine in advance and are slow to develop while at the same time extremely difficult to reverse once in effect.

While Ontario universities are not opposed in principle to the establishment of new degree-granting institutions in this province, they are concerned about the conditions under which new degree-granting institutions

might be established. Two matters of fundamental significance concern them. One involves academic considerations, the second the effect of the establishment of new degree-granting institutions on the existing university system.

Accreditation Issues

Government has the responsibility of determining in broad terms how the interests of its citizens and the common good are adequately developed and properly protected when academic programmes are delivered. This implies a responsibility to ensure the academic and fiscal integrity of degree-granting institutions operating in the jurisdiction, including private institutions which do not receive any public funding. Of course, government has a responsibility to protect the public from fraud. But it should do more. It should ensure that meaningful standards of academic quality are established and maintained. It should also ensure that governance and administrative structures, and financial reporting mechanisms, accord with what is judged to be acceptable practice within the university community in this jurisdiction. In Ontario, these responsibilities of government are exercised in the requirement that degree-granting institutions be chartered and in the regulations covering applications for a charter.

This practice should be continued. For new institutions seeking a charter there should be an accreditation process. The academic standards employed in the accreditation process should be established in relation to current practice, that is, on the basis of how these issues are handled in the Ontario university system. It is not sufficient to issue a simple consumer warning that credits/degrees granted by a new institution may not be accepted by the provincially assisted universities for transfer purposes. When, as is the case in Ontario, academic standards are high and relatively homogeneous across the system, appropriate care should be taken to ensure the maintenance of similar standards in any new institutions that are established. The issue is standards, not monopoly or the protection of existing privilege; it is a genuine issue.

Among the existing universities this matter of academic standards is handled mainly at the institutional level. Considerations affecting academic quality are dealt with by the universities themselves by means of procedures approved by their academic senates. When programme reviews are undertaken, the principle of peer review is followed and external academic consultants are normally employed. There are well established procedures for accreditation in professional programmes such as Medicine, Engineering, etc. However, with one exception, there are no general accreditation procedures administered by external bodies. The exception is the programme appraisal process administered by the Ontario Council on Graduate Studies (OCGS) on behalf of COU to assess graduate programmes offered by the provincially assisted universities. Member institutions of COU voluntarily submit their graduate programmes to this peer review process. Successful completion is a necessary condition of eligibility of these programmes for funding. Neither the Ministry (except for special cases discussed in the full report) nor OCUA currently undertakes the activities of an accrediting agency.

If new institutions are to be chartered, a proper accrediting agency should be established to review applications. The government should have access to a procedure to ensure that the applicant institution meets acceptable academic standards. This implies a suitably rigorous accreditation process, one which will examine the qualifications of faculty and support staff, and their numbers relative to enrolment, library and laboratory resources, physical plant facilities, administrative and governance structures, etc. The process should be in the hands of an independent, arms-length body, not the Ministry of Colleges and Universities; and it should employ the peer adjudication principle. The decision to grant a charter should rest with the government; but it should be made only if the government has been assured that acceptable academic standards have been met. Moreover, it should be made only after consultation with the university community and other interested parties.

COU has recommended that OCUA become the agency responsible for the accreditation process to deal with applications for the establishment of new degree-granting institutions in Ontario. (Details on the recommended process are given in the full report.)

Issues Involving Impact on the 'System'

The implications for the 'system' of provincially assisted universities should be carefully assessed before any new charter is granted. What might be judged appropriate in principle could have serious and long term negative effects on the 'system'. It would be unusual for there to be no impact.

Ontario universities are not opposed to competition. Indeed, they compete with one another all the time, for students, for staff, for research funding, etc.; and Ontario is the better for this. They are concerned, however, that this competition take place on a level playing field according to rules that are clearly understood and are the same for all competitors.

It is argued that new degree-granting institutions will provide a more challenging academic environment than that existing in the publicly funded institutions; that new institutions will meet demands for specialized programmes not currently available. Such arguments must be examined very carefully. If it is argued that the creation of new private degree-granting institutions will provide more choice to prospective students and donors, it should be pointed out that considerable choice already exists among the sixteen provincially assisted institutions and that provision of wider choice should not be at the expense of further weakening the existing system.

If existing legitimate demand is unmet, if there is need for the expansion of academic programming in some discipline areas in the Ontario university system, it is legitimate to expect that such demands and needs will be met by the publicly funded institutions. Under its policy on accessibility government has the responsibility to make the necessary resources available to the provincially assisted universities. If these institutions lack the resources to meet legitimate demand and social need for university level academic programmes,

it is a poor solution to allow the establishment of new private institutions to meet these identified demands/ needs.

Typically, private degree-granting institutions are developed to meet specific, narrowly focused academic objectives. They offer a small number of academic programmes, not the broad range that the provincially assisted universities are expected to provide. Moreover, they charge high fees. This introduces a major anomaly. At the present time Ontario universities are very limited in their ability to meet new or expanded needs. This is the result of a long period of inadequate funding. It is also due to the current operating grants formula which is designed to emphasize stability in enrolment.

In such circumstances it would be poor public policy to approve the establishment of private institutions free to charge high fees and not bound to meet academic standards comparable to those under which existing Ontario universities operate. While it might be perceived that this expedient would protect the public purse from the demands of increased financial support for the provincially assisted universities, it would represent deficient public policy because it would weaken the ability of existing institutions to meet genuine needs while at the same time fostering the development of new institutions with lower standards.

Proponents of private universities insist that they have no intention of seeking public funding and plan to obtain the necessary revenues from fees and private donations. They are sincere in this; they believe that their private institutions can flourish from these sources. However, many of these advocates of private institutions have little understanding of what it costs to operate a university level institution committed to high academic standards. The record shows clearly that providing academic degree programmes of satisfactory quality requires a large capital investment and heavy on-going operating expenditures. It also shows that most institutions which have begun as private foundations soon are driven to seek public support or face bankruptcy. When this occurs, the arguments in favour of providing public support in order to protect the investment and to serve the students frequently become persuasive. The funds provided are then deducted from the sums available to support the existing publicly funded universities.

Therefore, an important aspect of the context is the financial situation of the existing provincially assisted universities. Over the past decade Ontario universities have faced increasing financial restraint as public funding failed to meet the needs of an expanded enrolment and additional research responsibilities. At the same time, the universities' abilities to raise revenues from other sources have been limited due to controls on fees and an economic environment in which there are not many incentives for private giving.

All recent experience in Ontario and Canada of the need to provide additional substantial support for university research provides another dimension for concern. Even without access to government operating or capital support, faculty in private universities would likely want to be eligible to compete for research funding available through the various research granting councils. While unobjectionable in itself, unless these agencies have sufficient funds available to distribute fairly to a larger group of competitors, this would produce one more instance of the tragedy of the commons.

Conclusion

In summary, public funds should be devoted to the existing universities. As long as the provincially assisted universities are underfunded, they should be the sole beneficiaries of public funds for higher education.

Whenever application is made for the establishment of a private degree-granting institution, an essential component in the assessment of the application should involve an 'environmental scan' of the potential impact of the establishment of this new foundation on the existing universities and the publicly funded 'system' of which they form the parts. Approval of the new foundation should only be given if the results of such a scan are judged to be positive. This assessment should be part of the application process and be undertaken by OCUA.